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Report to the Economic and Social Council

Annual report to the Economic and Social Council**

Report of the Administrator of the United Nations Development Programme

Summary

The present report is submitted in compliance with General Assembly resolution 56/201 on the triennial comprehensive policy review. In this final year of the present cycle, the Administrator of the United Nations Development Programme (UNDP) takes the opportunity to review developments over the past three years, and to propose to the Executive Board, and through the Board to the Economic and Social Council, for their consideration some avenues for the future of operational activities for development.

In view of the comprehensive nature of the mandates provided by General Assembly resolution 56/201, and the recommendations made by the Executive Board at the first regular session 2003, on focusing on a more analytical perspective while providing some reflections for the future, the current report presents developments in the work of UNDP together with analysis and recommendations.

* E/2004/100.

** The collection of data required to present the Executive Board with the most current information has delayed submission of the present document.

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Elements of a decision

The Executive Board may wish to take note of the report and decide to transmit it to the Economic and Social Council with the comments and guidance provided by delegations at the present session.

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I. Implementation of the reform programme of the Secretary-General and the provisions of the triennial comprehensive policy review of operational activities for development of the United Nations system

A. Operational activities for development in a globalizing world

1. General Assembly resolution 56/201, for the first time in legislation governing operational activities for development of the United Nations, identified the new context of globalization as presenting new opportunities for developing countries in taking advantage of the growth in global communications, trade and financial flows. Coming in the same year as the International Conference on Financing for Development, such recommendations were understood by the United Nations Development Programme (UNDP), in the spirit of the Monterey Consensus, as assisting developing countries in their efforts to strengthen domestic resource mobilization and its enabling environment, as much as providing developing country societies with tools to interact with a globalizing world.

2. Regarding the domestic environment, UNDP continued to assist developing countries in strengthening governance and enabling all actors in the national development context to play a mutually supportive role in the achievement of economic growth by harnessing the knowledge potential of the internet and attracting international financial flows. Two examples of this effort are provided here.

3. Paragraph 13 of General Assembly resolution 56/201 focused on the importance of information and communication technologies (ICT) for development, and UNDP has taken this to heart. Support to the ICT for development programme expanded from 16 to 52 countries between 2000 and 2002. Some 26 countries have benefited from UNDP support in preparing national ICT strategies and policies.

4. In Nepal and Uzbekistan, UNDP has helped develop laws on e-commerce and e-governance. In Cameroon, UNDP has supported the creation of public Internet hubs, and in Egypt, the United Nations Volunteers (UNV) played an instrumental role buttressing UNDP support to community centres through which underserved communities gain valuable access to information. In China, a joint initiative is under way with the support of UNDP and the Department for International Development of the United Kingdom on improving teaching in remote areas by using ICT and distance education. With UNDP support, Afghanistan, where access to the Internet was banned under Taliban rule, gained legal and technical control of its own domain code, including the "dot-af" domain for Afghan web sites and e-mail addresses.

5. As an example of support to the national economy in attracting international financial flows facilitated by globalization, a series of UNDP initiatives in support of the New Partnership for Africa's Development were aimed at increasing foreign investment in Africa. These led to UNDP support of the development of African stock exchanges and of the African Capital Markets Development Forum in April 2003, a joint initiative with the African Stock Exchanges Association and the New York Stock Exchange. The forum allowed participants from African stock exchanges to exchange experiences and best practices with members of the New York Stock Exchange and prominent business personalities. It also provided a forum to

introduce institutional investors to African stock markets where some 2000 businesses are listed, thus promoting numerous valuable contacts.

6. In late 2003, UNDP decided to mainstream ICT elements into all its practice areas. The rationale for this came from an analysis of country requests for UNDP support showing that after the first exuberant phase of demand for Internet services per se, developing countries started to focus on using the Internet to modernize societies. The development of information and communications systems is considered primarily as a means to achieve improved governance or better knowledge of international market conditions for primary producers, or as a sign that a once-marginalized community in, say, Afghanistan, has rejoined the community of nations in the exchange of information which allows women and men to access the World Wide Web.

7. Working closely with subregional and regional integration programmes, UNDP has supported initiatives that promote the objectives of technical and economic cooperation among developing countries at country and regional levels.

8. Through collaboration with the Development Bank of Japan, the Development and Infrastructure Bank of Malaysia, and the Development Bank of the Philippines, the Special Unit for Technical Cooperation among Developing Countries supported a training programme for senior bank executives from nine African countries to acquire knowledge and skills for training other managers in modern credit- and risk-analysis techniques.

B. Funding for operational activities for development

9. General Assembly resolution 56/201, like previous resolutions on the triennial policy review, focused on the need to ensure growing, predictable resources for United Nations operational activities for development. What was new was its determination that both core and non-core financing were important for this effort. The gradual transformation of UNDP from an entitlement-based organization to a multi-funded organization has continued, and is reflected in similar trends in other United Nations specialized agencies, funds and programmes.

10. Member States contributing to the United Nations Development Programme have demonstrated their commitment to operational activities for development and their support of the UNDP approach by increasing both core and non-core contributions to the Programme. As a result, total UNDP resources reached $2.9 billion last year, their highest level ever, up from $2.6 billion in 2001.

11. In 2003, regular resources rose for the third consecutive year. They are expected to reach $760 million, up from $634 million in 2000. With one exception, the members of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC) have maintained or increased their core contributions in local currency terms this year. Non-core resources are growing even faster. As aid mechanisms available within programme countries diversify and multiply, UNDP is increasingly being called upon to help governments access and manage different types of funding in support of national priorities. In 2002, third-party co-financing amounted to some $936 million in actual income received, up from $683 million in 2001. Programme country cost-sharing,

channelled through UNDP by Governments in support of their own development activities, amounted to just over $1 billion in 2002.

12. The overall picture is positive, but growth areas continue to be in non-core rather than core funding. Overall, programme expenditures from regular resources during 2000-2002 amounted to $1,161 million, or $332 million short of the three-year figure of $1,493 million estimated in the integrated resources framework (IRF) for 2000-2003. In contrast, donor-funded programme expenditures from other resources (co-financing) amounted to $2,026 million. This was $165 million over the corresponding three-year estimate of $1,861 million in the revised IRF.

13. While this trend provides increasing levels of total resources, regular resources remain crucial to the work of UNDP. Although the downward trend in regular resources has been stabilized, the total amount remains below estimates in the 2002 and 2003 multi-year funding framework (MYFF) projections.

14. The use of these resources has been highly concentrated, recognizing earlier Executive Board mandates on focusing the operations of UNDP. Two main areas of focus for UNDP activity are poverty eradication and governance. A review of 2000-2002 estimated programme expenditure shows that close to 60 per cent, or $530 million, of OECD/DAC resources were spent in least developed countries. About 28 per cent, or $469 million, of donor-funded (non-core) resources was spent in least developed countries, with less than 1 per cent, or $19 million, in locally funded government cost-sharing.

15. As noted in resolution 56/201, UNDP has focused its work on the eradication of poverty. Indeed, the highest proportion of UNDP regular resources during 2000-2002 was in poverty reduction. Thus poverty reduction sub-goals one and two (human and income poverty addressed in national poverty frameworks, and expanding and protecting the asset base of the poor) together account for some 38 per cent of regular resource use over the period.

16. The focus on governance continued, with 27 per cent of OECD/DAC donor resources and 56 per cent of government cost-sharing were attached to governance work. In fact, over 40 per cent of estimated expenditure from all government cost-sharing was concentrated under just one governance sub-goal: efficient and accountable public sectors. This raises important questions for member States regarding the minimum critical mass needed for UNDP to operate as a universal, relevant development arm of the United Nations. UNDP policies originate and are tested out in its programmes, helping substantiate the organization's advocacy role, and providing the opportunity to promote its application in practice. A strong level of development programmes is critical to the legitimacy of the work of UNDP with programme country governments and key to the organization's continued relevance. The resident coordinator function itself cannot be carried out in the absence of a strong development programme behind it, as a programmatic presence around national priority issues secures the role of UNDP in coordination.

C. Planning, programming and implementation

17. As an integral part of the second MYFF, the programming arrangements for the period 2004-2007 were approved by the Executive Board in its decision 2002/18. Similarly, the biennial support budget covering the structural requirements

of the organization for 2004-2005 was approved by the Executive Board in September 2003, in its decision 2003/22. Both the programming arrangements and the biennial support budget are fully aligned with the four-year planning period. Commencing in 2007, the MYFF, the programming arrangements and the first biennial support budget will all be reviewed and approved by the Board at the same session — the final step in reaching a fully integrated process.

18. The culture of performance and accountability continues to be reinforced through results-based management. Use of results-based management has become central to UNDP in driving development, management and staff performance towards improved organizational effectiveness. Complete results-based management (incorporating results-based budgeting) will be fully implemented during phase II of the enterprise resource planning rollout in 2005. In the meantime, the budgeting aspect has been introduced in the annual allocation process. Yearly organizational priorities are set forth in the corporate plan. This plan is thoroughly anchored in the MYFF and the balanced scorecard and is flexible enough to include new priorities. The plan focuses on deliverables and assigns responsibilities to different members of the senior management team for implementation.

D. Capacity-building

19. In 2001, UNDP embarked on the reforming technical cooperation for capacity development initiative as a concerted effort to revisit cutting edge thinking and practice in the area of technical cooperation and capacity development and to explore its operational implications. Funded by the Government of the Netherlands, this initiative sponsored operational research on various aspects of technical cooperation in specific policy and operational areas related to capacity development as well as seven country case studies: Bangladesh, Bolivia, Egypt, Gabon, Kyrgyzstan, the Philippines and Uganda. The results of this research are available in four publications: *Capacity for Development: New Solutions to Old Problems* (March 2002); *Developing Capacity through Technical Cooperation: Country Experiences* (October 2002); *UNDP Development Policy Journal*, No. 2 (December 2002), special issue on technical cooperation; and *Ownership, Leadership and Transformation: Can We Do Better for Capacity Development?* (November 2003).

20. Building on the momentum generated by the initiative, UNDP partnered with the Department of Economic and Social Affairs of the United Nations Secretariat in convening a United Nations inter-agency workshop on capacity development, organized under the auspices of the United Nations System Chief Executives Board for Coordination (CEB) in Geneva in November 2002. In January 2003, UNDP also partnered with the Japanese International Cooperation Agency, the Canadian International Development Agency and the World Bank Institute to convene an International Symposium on Capacity Development in Manila, the Philippines, to exchange views among donors, recipient countries and other development practitioners on capacity development and new development cooperation approaches to support it. Another important process was the ongoing collaboration with various OECD/DAC subsidiary bodies, in particular the DAC task force on donor practices. In addition, the momentum reflected in the Rome Declaration of February 2003 offered a tremendous opportunity for developing countries to claim and take ownership of development cooperation for the development of lasting local capacities.

21. In preparation for the World Summit on Sustainable Development, the evaluation of the UNDP Capacity 21 initiative recommended that UNDP promote a new capacity development platform and programme to succeed the Capacity 21 pilot initiative. The Johannesburg Plan of Implementation included a recommendation to "significantly strengthen support for the capacity-building programmes of the United Nations Development Programme for sustainable development, building on the experience gained from the Capacity 21 programme, as important mechanisms for supporting local and national development capacity-building efforts, in particular in developing countries". In response, UNDP established Capacity 2015, a global partnership designed to enhance development effectiveness towards the achievement of the Millennium Development Goals. Capacity 2015 focuses on building partnerships designed to empower communities to determine and implement the policies and practices needed to assure the sustainability of development outcomes captured in the Goals.

22. In addition to utilizing its own web site to disseminate information on capacity development, UNDP created and supports the capacity development for the Millennium Development Goals topic page of the Development Gateway web site.

E. Simplification and harmonization of rules and procedures

23. At the core of General Assembly resolution 56/201 is a mandate to United Nations funds and programmes to focus on the harmonization of rules and procedures. Since then, OECD/DAC — most notably in the Rome Declaration — has also focused attention on simplification and harmonization of rules and procedures for development assistance. The Executive Board, in its comments on the Administrator's report to the Economic and Social Council during the first regular session of 2003, while encouraging common progress towards simplification and harmonization, cautioned that the impartiality and unconditionality of United Nations operational activities for development must be maintained. The Board also underscored the need for the simplification of processes leading to a reduction of the burden of coordination on national authorities. These mandates, and the recommendations of the Executive Board, form the basic philosophy for the work of UNDP in this area, and its role in the United Nations Development Group (UNDG) and its Executive Committee.

24. UNDP support to OECD/DAC harmonization includes both supporting country level harmonization and contributing to the OECD/DAC task team developing measures to track the commitments made in the Rome Declaration. In a number of the OECD/DAC harmonization pilot countries, UNDP is supporting the efforts of governments in harmonization efforts.

25. On the UNDG front, while the development of tools was the focus of activities in 2002, the phased implementation of the harmonized tools was a forerunner to the activities of 2003. The UNDG Executive Committee seeks to support the wider agenda by harmonizing the rules and procedures of United Nations specialized agencies, funds and programmes and by aligning country programming results with national priorities, the Millennium Development Goals and other international commitments.

26. Four harmonized tools addressing the preparation, implementation, monitoring and evaluation of United Nations Development Assistance Frameworks (UNDAFs), have already been incorporated into the UNDAF guidelines, namely,

(a) Results-based management terminology;

(b) UNDAF results matrix;

(c) Joint strategy meeting;

(d) UNDAF monitoring and evaluation plan and UNDAF evaluation.

27. The above tools have been introduced in the roll-out countries (Benin, Ecuador, Kenya, Niger, Sierra Leone[1] and Pakistan) in connection with a new UNDAF starting in January 2004. These tools will now be used globally by all United Nations country teams preparing new UNDAFs.[2] The 19 country teams starting new UNDAFs in 2005 have received training in the use of the above tools.

28. In addition to the tools mentioned above, two country programme management tools of the UNDG Executive Committee agencies, the country programme action plan and the annual work plan, have been finalized and are expected to be used in the roll-out countries as they begin their harmonized country programmes in 2004.

29. UNDG Executive Committee agencies are also rolling out a harmonized format for standard progress reports and an electronic platform providing shared access to evaluative information and practices. Furthermore, a revised joint programming guidance note, which sets forth the programmatic steps for United Nations organizations to work together as well as a new fund management option — the "pass-through" — is in the final stages of approval and is expected to be rolled out to all offices in 2004.

30. While the focus of harmonization activities has been on the implementation of the tools developed in 2002, two tools — financial management assessment guidelines and harmonized resource transfer modalities — remain on the work programme of UNDG, and are expected to be rolled out in 2004.

31. In line with the quality support and assurance system in place for the common country assessments and UNDAFs, the increased responsibility of regional bureaux and technical support teams — such as subregional resource facilities — necessitates increased training and sensitization of regional staff as a priority for 2004.

32. In addition to programming procedures, the General Assembly called upon the funds, programmes and specialized agencies to address, as a priority, "common, shared services". UNDG developed such a programme, which was initiated in 2001. The pilot programme provided support to field offices in three main areas: (a) training and backstopping for eight pilot countries; (b) seed money grants to develop and enhance common services initiatives in 24 countries; and (c) the 12 trained resource people supporting the pilot countries are expected to enhance common services in their own field offices.

33. The number of shared services increased in pilot countries by an average of 40 per cent during the trial period. Cost savings were realized, particularly in the areas of procurement (most notably fuel procurement), ICT, travel services, and the administration of buildings. Additional benefits included enhanced quality and efficiency of the services and a safer working environment. Obstacles encountered

included: insufficient staff time and resources; lack of common premises; differing procedures and the need for further inter-agency cooperation and commitment. A global roll-out strategy for common services is expected to take effect in the first quarter of 2004.

34. Developing and introducing harmonized rules and procedures has highlighted the differences in approach of the various organizations and the changes needed to achieve harmonization. While UNDP remains committed to continuous improvement, the multiple changes being introduced to country offices resulting from the new multi-year funding framework, the introduction of enterprise resource planning and the efforts towards simplification and harmonization presents an absorption challenge.

35. Training and guidance based on experiences in the five roll-out countries are being developed and provided to field staff. Currently, UNDG is preparing an integrated training calendar to ensure that the learning needs of our field staff with respect to the Millennium Development Goals and the various elements of United Nations reform are met in a consolidated manner and do not place an extra burden on them.

F. Resident coordinator system

36. As manager and funder of the resident coordinator system, on behalf of the United Nations, and in response to the calls in resolution 56/201 for improved country level capacities in United Nations offices, UNDP redesigned and upgraded the resident coordinator assessment centre. Changes reflect the need to evaluate candidates for the increasingly complex role of resident coordinator in leading United Nations reform at the country office level and dealing with crisis and post-conflict situations. Management and leadership competencies for resident coordinator positions were aligned with the evolving requirements. Gender and cultural considerations were taken into account at each step of the redesign process, as well as in the administration of the assessment centre. In 2003, the assessment centre was further modified to evaluate candidates in the United Nations coordination role of the resident coordinator.

37. From 2001 to October 2003, some 218 candidates (including UNDP staff, staff of United Nations organizations and external candidates) went through resident coordinator assessments. One hundred and nineteen (55 per cent) of the candidates were from UNDP, 74 (34 per cent) were women, 113 were from developing countries. For the first time ever, current and former resident coordinators were required to undergo successful assessments in order to continue in the function.

38. As of 1 November 2003, about 42 per cent of the 135 resident coordinators (including designates) are from developing countries, as compared with 41 per cent in 2001. Over the same period, gender representation has remained unchanged at about 24 per cent women resident coordinators.

39. To ensure greater diversity among resident coordinators, it was agreed that as of 1 April 2003, 50 per cent of the candidates nominated will be from developing countries, and at least 40 per cent will be women. From April to November 2003, these targets have been met. UNDP also committed to identifying about 15 women from developing countries as external candidates to be assessed for resident

coordinator positions in 2004. Regarding the balance among United Nations organizations, about 22 (16 per cent) of resident coordinators are from United Nations organizations other than UNDP. Of these, 15 are men and seven are women. Thirty-six per cent of the candidates assessed for resident coordinator positions came from United Nations organizations other than UNDP.

40. Candidates who undergo assessment receive both oral and written feedback reports on their relative strengths and development needs. However, there is no organized approach in place for candidates to receive coaching or to map out learning plans with their respective organizations to address developmental needs.

41. Currently, performance appraisal of the resident coordinator is based on limited, inadequate feedback. The appraisal is comprised of three elements. First, the annual appraisal of resident coordinators is made on an exceptions basis by members of the CEB; this is little used. Second, the United Nations Development Group Office examines the annual reports of resident coordinators and other information, including common country assessments and UNDAFs, to gather information on the performance of the resident coordinator. Third, the corresponding specialized agencies, funds and programmes are encouraged to report on performance issues as they arise. There is no feedback mechanism for assessing the contributions of individual members to the United Nations country team except for the resident coordinator. Other country team members are not recognized for their work in support of the United Nations system.

42. To address this issue, UNDG Executive Committee members have agreed to add a uniform section on United Nations country team performance to the annual individual staff appraisal tools of the respective specialized agencies, funds and programmes. Feedback from the resident coordinator or country team members would be taken into account by the staff member's supervisor in the appraisal of annual performance.

43. In 2002, a United Nations country team assessment (180-degree feedback) programme was piloted in 10 countries. Based on a review of the pilot, the UNDG Executive Committee members agreed to modify the 360-degree tools used in their respective organizations to include a section on contributions to the country team.

44. Nearly all resident coordinators have received 360-degree feedback to help strengthen performance and accountability. In 2003, the 360-degree exercise was used for the first time, at a workshop for resident coordinators and resident representatives, as part of a comprehensive feedback session to enable them to identify gaps in their managerial performance and make adjustments in their leadership style.

45. There remains an effort to be made in all United Nations organizations in putting forward outstanding female candidates from developing countries for resident coordinator assessment and placement. In view of the high cost of the assessment ($8,400 per candidate), its results may best be used to improve the performance of the staff member as a resident coordinator, resident representative or other senior position. In addition, the appraisal of country team members regarding their participation in the resident coordinator system would benefit the operation of the system through enhanced use of the 360-degree feedback approach.

G. Gender policies

46. In the discussions on the implementation of General Assembly resolution 56/201, and in subsequent deliberations at the Executive Board on the implementation of this resolution, members of the Executive Board focused on the issue of gender equality in UNDP staff practices. The performance in the past three years, though showing improvement, is still not where we want them to be among our professional and managerial staff. As of year-end 2002, women represented 39 per cent of the professional workforce; among international professional staff, female representation was 35 per cent. While women now hold three of eight ASG positions, they make up just 22 per cent of senior management (D-2/D-1) and about 24 per cent of our resident coordinator/resident representatives.

47. In various staff surveys, UNDP female staff members continue to voice concerns over work/life balance, and are more likely than their male counterparts to leave UNDP over work/life issues thus hampering our ability to reach gender balance. With more countries in various stages of crisis and post-conflict, including those that are non-family duty stations, the challenge for UNDP is to identify ways for women to gain the professional development experience they need to move into Resident Coordinator positions.

48. In 2003, UNDP approved a new gender balance in management policy (decision 2003/6). The new policy established a goal of 50/50 gender balance by 2010 in all positions in the professional level and above — up to and including the ASG level — and in all categories of staff, including national officers and holders of limited-duration contracts.

49. To achieve these targets, UNDP approved a series of recommendations for enhanced gender-sensitive recruitment, promotion, learning and development, reassignment and placement, as well as continuing more flexible work/life initiatives. To improve accountability, annual targets are to be set by bureau management and monitored by means of annual scorecards that will serve as an input to a manager's annual performance appraisal.

H. Monitoring and evaluation

50. As a result of the focus on monitoring and evaluation expressed in General Assembly resolution 56/201 — and due to the perceived need, in a performance-based organization, to strengthen country level performance — the demand for evaluation and learning has improved substantively. A major focus has been on "real-time" lessons where evaluation recommendations are fed back into decision-making mechanisms. This results in more effective learning and accountability — especially in view of the challenges inherent in aligning UNDP strategic goals to the Millennium Development Goals and fostering an ever-broader range of partners for development effectiveness.

51. Together with outcome evaluations at the programme level and a select number of country evaluations, the development effectiveness report has emerged as a major platform for this perspective. The report assesses country-level development results as well as global trends and efforts needed to improve effectiveness.

52. The 2003 report analyses more than 1,000 UNDP project and programme evaluations, country case studies and reports, the weight of which indicate that UNDP interventions are becoming ever more sustainable. About 61 per cent of projects and programmes were sustainable between 1999-2002, indicating a shift towards stronger partnerships based on greater local ownership and learning through capacity-building initiatives. The analysis illustrates the need for more effective global partnerships between donors and developing countries to enhance development effectiveness.

53. The independent country evaluations known as assessments of development results, launched in 2001, provide a substantive basis for quality assurance with regard to UNDP interventions. The assessments have captured the diverse range of challenges that confront UNDP programme countries globally and have generated lessons in strategic areas to improve country-level programming, corporate instruments and future UNDP work through greater emphasis on participatory and consultative processes with key partners. Assessments are being undertaken in 7 to 10 countries each year.

54. Using the new monitoring and evaluation framework, programme countries completed a number of outcome evaluations for the first time in 2002. The country offices used these evaluations to make policy decisions and help develop further expertise in the practice areas. The trends in planned and completed outcome evaluations indicate that UNDP is deeply involved in the strategic results framework goals of democratic governance and poverty alleviation. As part of the simplification and harmonization of the United Nations system, the outcome evaluation methodology has been extended to the UNDAF monitoring and evaluation plan.

55. The Evaluation Office launched a new resource centre to enable country offices, regional and central units and partners to tap into and share the vast repository of empirical evidence and knowledge from the Office database and other resources.

56. Corporate evaluations undertaken by the Office during 2002-2003 include evaluation of the UNDP role in the poverty reduction strategy papers process; assessment of the Millennium Development Goal reports; assessment of micro-macro linkages in South Asia; operational flexibility in conflict and post-conflict; evaluation of the Danish Trust Fund; and evaluation of poverty-governance links. Country evaluations assessments of development results have been made of Bulgaria, Nigeria and Viet Nam, among others.

57. UNDP has maintained strong partnerships with United Nations system organizations as well as with other national and international agencies, including various forms of cooperation on sharing and improving evaluation methodologies, undertaking joint evaluations and organizing lesson-learning initiatives to foster the culture of results orientation within the organization and among partners.

58. The accessibility of lessons where evaluation recommendations are fed back into decision-making mechanisms remains a major focus for more effective learning and accountability, given increasing challenges to UNDP with the introduction of more locally driven programmes focusing on the Millennium Development Goals and involving a broader range of partners.

I. Crisis prevention

59. UNDP support in this area fell broadly into two categories: downstream support for dealing with the immediate impact of disasters, ranging from the removal of illicit small arms and landmines to the promotion of short-term economic recovery for the worst-affected communities; and upstream support aimed at building capacity for dialogue, the facilitation of multi-stakeholder consensus on divisive national issues ranging from constitutional reform to the equitable distribution of natural resources, and addressing deep-seated inequities and underdevelopment that often constitute the root causes of conflict.

60. In the first category, UNDP provided critical short-term support for countries emerging from conflict. Joint programmes were launched with the World Bank and the Office of the United Nations High Commissioner for Refugees to ensure the lasting reintegration of refugees and displaced persons into their communities in Afghanistan, Sierra Leone and Sri Lanka. Comprehensive assistance is being provided to the Governments of Angola, Colombia and the Democratic Republic of the Congo to ensure that communities have the economic wherewithal to receive back former combatants or other persons made itinerant by violent conflict. In the Sudan, steps are being taken to ensure that, as protagonists edge closer to a comprehensive settlement of the country's long-standing civil conflict, the United Nations can move quickly towards supporting the demobilization and reintegration of former combatants. International assistance being prepared for post-conflict peace-building in Liberia will include these critical elements. In all these countries, UNDP is supporting the development of area recovery programmes and other initiatives aimed at providing much-needed short-term economic support while national economies are rebuilt.

61. In Iraq, in compliance with recent Security Council resolutions, UNDP is working with other United Nations partners to ensure that development and humanitarian assistance are provided in the best manner possible in view of the evolving security situation.

62. In the aftermath of violent conflict, development activities often cannot resume until after removal of numerous illicit small arms and light weapons, land mines and other unexploded ordnance that could prompt a return to violent conflict. UNDP assistance in this area has always prioritized building national capacity to regulate or remove these weapons, as well as alternative livelihoods for communities that might have benefited from their illicit production and circulation. Support in this regard is being provided not just to such countries or areas as Afghanistan, Albania, Colombia, Papua New Guinea, the province of Kosovo in Serbia and Montenegro, Solomon Islands and Timor-Leste, which are emerging from violent conflict, but also to countries that might have been made vulnerable as a result of conflicts in their neighbourhood, such as Ghana and Kenya. To further buttress vulnerable countries, UNDP is providing assistance to strengthen their capacity for dealing with the impact of unexpected natural disasters.

63. More than short-term recovery support is needed, however, to prevent the initial occurrence of violent conflict, or even its recurrence. Key stakeholders need to acquire the skills, attitudes, and aptitudes, and build the processes and institutions, whereby future consensus can be built in a participatory manner around divisive issues. Without this "software" for peace, agreements between the primary

protagonists are likely to remain no more than unstable tactical arrangements. Bearing in mind this lesson, UNDP is supporting multi-stakeholder dialogue in countries as diverse as Fiji, Guatemala, Niger, Peru, Sao Tome and Principe, and Venezuela. Training support in the area of peaceful conflict resolution is being provided to stakeholders in a wide range of countries. In Guyana, UNDP is working closely with national stakeholders to support their efforts to implement constitutional reforms vital to the management of internal tensions, and to further build multisector dialogue and social cohesion. In Kenya, UNDP is developing initiatives to support mechanisms and processes that are being established by the national stakeholders themselves for the peaceful settlement of disputes. Recognizing the role of civil administration in the peaceful settlement of disputes on a day-to-day basis, UNDP has provided significant support for the revival of the civil service in Afghanistan, and in other countries emerging from conflict. To the extent that the equitable and accountable provision of the rule of law is a critical element of a lasting national capacity for conflict prevention, UNDP is taking steps to establish a systematic capacity for providing assistance in this area in both pre- and post-conflict situations. Many of these efforts are being undertaken in close collaboration with other United Nations departments and specialized agencies, funds and programmes.

64. Recent UNDP efforts in the area of crisis prevention and recovery have revealed that, to the extent that the peaceful and equitable settlement of disputes is part of the day-to-day responsibility of Member States, some of the best assistance in this area can be provided by the country teams, who work with all stakeholders on a regular basis to promote sustainable development.

65. Support from Member States in the following areas could be especially critical in better enabling UNDP to work with them in ensuring the peaceful and lasting settlement of conflicts:

(a) A sustained conversation among Member States, and with the United Nations development community, on the elements of national capacity for crisis prevention and the role of development practitioners in building these elements;

(b) A discussion on the types of assistance that United Nations country teams can provide in building national capacities for conflict prevention;

(c) Support for a comprehensive understanding of the roles of resident coordinators in times of stress, when resident coordinators should be able to engage governments and all relevant stakeholders, as appropriate, in better assisting them to understand obstacles to sustainable peace and development; in facilitating consensus on the best means to overcoming these obstacles; and in building capacity for developing such consensus in the future.

66. Resident coordinators should also be better enabled to develop a comprehensive peace-building role for the United Nations country team in the aftermath of the deployment of a peace operation. The elements for building lasting peace can only emerge through sustained, long-term collaboration between the United Nations and the Member State receiving assistance, and the long-standing country teams may be best placed to provide such collaboration.

II. Integrated follow-up to United Nations conferences and summit meetings: Millennium Development Goals

67. The Millennium Project has made a solid start, with its basic infrastructure in place and a first set of outputs delivered by mid-2003. The focus now is shifting to the primary research being commissioned in the build-up to the interim report of the Project, due in June 2004, as well as to connecting the intellectual efforts and expert networks of the Project to the policy advocacy and analytic work of United Nations country teams and UNDP country offices.

68. Twenty-five eminent experts have been recruited from around the world to serve as task force coordinators. Task forces held their second meetings in the spring and early summer of 2003, mostly in developing countries. A full complement of Millennium Project task force members has also been selected, with broad representation from academia, civil society, government and the private sector in both developed and developing countries.

69. A major contribution was made by the Project task forces and by the secretariat of the *Human Development Report 2003* focusing on the Millennium Development Goals, which includes the Millennium Development Compact, a joint product of the Human Development Report Office and the Millennium Project that outlines how the Goals can form the core of a goal-oriented development system.

70. Almost 50 Millennium Development Goals country reports have been produced so far, up from 27 in March 2003, and production is planned for 60 more in 2003, bringing the potential total at the end of the year to nearly 100. Five countries have produced their second reports. One of them, Viet Nam, is close to completing its third consecutive annual report, making it the only country to reach this milestone.

71. UNDP took the lead in revising the UNDG guidance note on country monitoring with inputs from a large number of United Nations organizations. The revised note addresses many of the issues raised by the Millennium Development Goals reports assessment team. Two examples are the issues of tailored targets and greater policy impact.

72. UNDP contributed to the Secretary-General's report to the General Assembly on the implementation of the United Nations Millennium Declaration (A/58/323). At the regional level, the first Millennium Development Goals report for Asia and the Pacific, produced by the Economic and Social Commission for Asia and the Pacific with funding from UNDP, has been completed. An analytical report on Latin America and the Caribbean, focused on Goal 1, was also completed collaboratively by the Economic Commission for Latin America and the Caribbean and UNDP. Two additional regional reports, for the Arab States and a group of five Eastern European countries, are in the pipeline.

73. Managed by UNDP on behalf of UNDG, the Millennium Development Goals Network brings together about 1,000 professionals engaged in various dimensions of work on the Goals, within and outside the United Nations system and at country, regional and global levels. It continues to be one of the most active knowledge networks in the United Nations system and is contributing to the emergence of a community of practitioners. The Network offers a model of what UNDP can

contribute to the collective United Nations system effort through the creation of platforms for knowledge sharing.

74. A common format for developed-country reporting on Goal 8 is being prepared with the DAC secretariat and a group of bilateral donors, including Norway, Sweden and the Netherlands. Denmark has recently completed a national report on Goal 8, making it the first OECD country to do so.

75. A statistical capacity-building proposal has been prepared by UNDP as a basis for pilot efforts in programme countries. With support from the Millennium Trust Fund, a project is being initiated in Albania to build capacity among a large number of key development actors to improve the monitoring of the Goals. UNDP has continued to interact with the United Nations Statistics Division and World Bank on indicators for the Goals.

76. The Millennium Development Goals Campaign unit is in place and the building blocks of the Campaign itself are steadily taking shape, with a sharp acceleration of work expected in the next three to six months. A key focus will be to promote campaigns in the South, building on the awareness-raising and advocacy initiatives that have been launched by UNDP country offices and United Nations country teams, especially (though not exclusively) around the preparation of Millennium Development Goals country monitoring reports. In the OECD countries, experience being gained from a first set of "trials" is expected to lead to a scaling-up of the effort in the coming year. In addition to financing and providing management and technical assistance to the Campaign, UNDP is adding to the effort through its relationships with the private sector, policy-oriented civil society organizations, grass-roots organizations and the media.

Notes

[1] Sierra Leone, being a post-conflict country, joined the group of roll-out countries later in the process.

[2] Nineteen United Nations country teams will start implementing new UNDAFs in 2005, 17 in 2006 and 48 in 2007.